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## Sweden: A City-Centric Sharing Economy Built on Trust

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### Abstract

This chapter reports on Sweden as an active and critical player within the European sharing economy. With a key focus on cities, Sweden has launched a national program, “Sharing Cities Sweden”—a strategic innovation program for smart and sustainable cities with an allocated budget of 12 million EUR over four years. The objectives of the program are to develop world-leading test-beds for the sharing economy in Stockholm, Gothenburg, Malmö, and Umeå, as well as develop a national node to significantly improve national and international cooperation and promote an exchange of experience on sharing cities. In the following pages, the sharing economy in Sweden is outlined, first, through exploring the definitions adopted by various actors and key questions to be addressed, and second, with the help of examples of existing collaborative economy platforms. The report concludes with a discussion on the collaborative economy in a Swedish context, forthcoming developments in the sector, and the associated issues and challenges.

**Keywords:** Sweden, Sharing Economy, Sustainable Cities, Smart Cities

### Introduction

The collaborative economy in Sweden is developing at more or less the same pace as in other European countries, with areas, such as finance, growing faster than others (e.g., crowdfunding) (Felländer et al. 2019). Sweden ranked at number forty-two in the Timbro Sharing Economy Index published in 2018, a ranking which is evident through the existing home-grown initiatives, adoption of international sharing economy platforms, and through the “Sharing Cities Sweden” project. The project launched in 2018 and with a focus on exploring the emerging landscape of the sharing economy in cities. The report published in April of the same year by researchers at Lund University in collaboration with Viable Cities (a strategic innovation program for smart, sustainable cities led by KTH Royal Institute of Technology) outlines a program to “develop world-leading test-beds for the sharing economy in Stockholm, Gothenburg, Malmö, and Umeå” (McCormick and Leire 2019).

## Definitions

There does not seem to be one succinct and broadly embraced the definition of the collaborative economy in Sweden. In fact, a 2019 study (Markendahl et al. 2019) conducted collaboratively by researchers (Royal Institute of Technology, Stockholm, International Institute for Industrial Environmental Economics, Lund University) and city officials from Gothenburg, Stockholm, and Umeå discusses how there is no clear definition as the sharing economy is such an extensive concept with a wide range of activities and services that can be included. The Sharing Cities Sweden project has a technological focus defining the sharing economy as:

“Driven by digitalisation, the sharing economy involves the peer-to-peer exchange of tangible and intangible slack (or potential slack) resources, including information, in both global and local contexts. This mediated exchange tends to reduce transaction costs for users by replacing third-party intermediaries with digital platforms. However, the elimination of third-party intermediaries means that risks are often borne by the providers and consumers of resources rather than by a central actor” (McCormick and Leire 2019).

The Swedish Entrepreneurship Forum chose to use the Rachel Botsman definition as a starting point but also built on it through outlining various sharing practices more specifically:

“A system that activates the untapped value of all kinds of assets through models and marketplaces that enable greater efficiency and access” (Botsman and Rogers 2011)

“The sharing economy has been defined to include the renting, bartering, loaning, gifting, and swapping of assets that are typically underutilized, either because they are lying unused or because they have not yet been monetized. Such assets include a wide variety of tangible and intangible assets” (Felländer et al. 2019)

## Key Questions

Examining both the initial findings research report (Markendahl et al. 2019) and the project program report (McCormick and Leire 2019) published by the Sharing Cities Sweden project, several vital questions were put forward about sharing services and motivations for the various actors involved. Additionally, the Timbro Sharing Economy Index report put forward questions concerning the effect of collaborative economy on capitalism and business models.

- 1) What patterns can be identified for different types of sharing economy services?
- 2) What are the motivations and drivers for diverse types of actors to use different types of sharing?
- 3) What can drivers be identified for different types and patterns of sharing services?
- 4) How is a specific sharing service offered?
- 5) What happens when the distinction between employee and service provider is increasingly muddled?
- 6) Will capitalism itself change if digitised business models push down transaction costs to levels that eventually challenge the notion of the firm itself?

## Examples

In accordance with the definitions presented above, the examples provided are categorised in relation to the sharing of tangible assets or intangible assets and whether the initiative is non-profit or for-profit.

**Table 1. Tangible and Intangible Examples of Initiatives**

Assets	Name of Initiative	Type of Asset Shared	Description	Business Model	Location
Tangible	Skjutsgruppen	Cars	Peer-to-peer group with over 40,000 users who ride-share all over Sweden. Users self-organize in terms of arranging trips and fees. <a href="https://skjutsgruppen.nu">https://skjutsgruppen.nu</a>	Non-profit	Nationwide
Tangible	Hoffice	Offices	Peer-to-peer Home office sharing, users arrange group-working sessions in each other's home. <a href="http://hoffice.nu">http://hoffice.nu</a>	Non-profit	Nationwide
Intangible	FundedByMe	Financing	FundedByMe provides equity crowdfunding opportunities for entrepreneurs and investment opportunities for private investors. <a href="http://www.fundedbyme.com">www.fundedbyme.com</a>	For-profit	Nationwide
Intangible	TaskRunner	Labour	The platform allows users to get help with simpler services from quality-assured people in their local area on-demand. <a href="http://www.taskrunner.se">www.taskrunner.se</a>	For-profit	Nationwide

Source: Own elaboration.

## Context

An analysis of sharing economy activity in Sweden carried out by researchers in 2019 reported that, in general, interviews with city representatives give an overall picture of a positive attitude to sharing and initiatives to handle climate change (Markendahl et al. 2019). Swedish city governments embrace and support sharing economy due to its potential to reach the city's sustainability goals, for example, reduce climate impact from car-sharing. However, as in other European countries, there are regulatory issues regarding employment, most notably with platforms Uber and Airbnb, "a digital platform does not guarantee an individual's wellbeing in the same way that a "traditional" employer does, and individuals who provide their services through sharing economy transactions generally must bear a considerable amount of risk" (Felländer et al. 2019) collaborative economy practices can fall out of the scope of Swedish employment regulations. Although the aforementioned analysis of sharing economy activity in

Sweden reported that in Sweden, existing laws have, for the most part, regulated these challenges at the national level (Markendahl et al. 2019).

## Developments

As mentioned in the introduction, Sweden is undergoing significant development within the collaborative economy sector through the Sharing Cities Sweden project under the ongoing global movement and emerging cooperation among cities who work under the umbrella of "sharing cities." The project launched in 2018 and with a focus on exploring the emerging landscape of the sharing economy through a city's perspective. The project brings together partners from business, the public sector, academia, and civil society in four Swedish cities, Stockholm, Gothenburg, Malmö, and Umeå. A Sharing Cities Sweden summit took place on April 23, 2019, in Lund at the International Institute for Industrial Environmental Economics (IIIEE) during Lund University's Sustainability Week. The proceedings involved actors from the four test cities along with partners from the private and public sectors, universities, and institutes in collaboration with the funding bodies of the program: Vinnova, Formas and the Swedish Energy Agency (McCormick and Leire 2019). The project has a key focus on ICT (Information and Communications Technology) sustainable development and aims to develop and strengthen the sharing economy initiatives nationally and in cooperation with other international cities. The project report published in April 2019 provides a detailed account of both the overall nationwide goals in addition to the individual goals and areas of focus for each of the participating cities, which are summarised below.

General Goals:

- 1) Context: The geographical area within each city is limited to certain areas and activities.
- 2) Experimentation: The aim is to design and test new solutions, technologies, and policies in real environments and do so in a transparent manner.
- 3) Participation: The development is based on collaboration with a diversity of stakeholders and users.
- 4) Leadership: Clear leadership and ownership are considered crucial and should be managed by local authorities and universities in cooperation with a variety of partners.
- 5) Evaluation: Evaluated in terms of their ability to formalise learning, drive implementation forwards and create impact.

## City Specific Focus

Stockholm: The focus is on cooperation with a citizenship initiative called ElectriCITY, now an economic association, which operates several local climate change initiatives in the district of Hammarby Sjöstad, which includes negotiated simulation with residents and stakeholders in workshops and the application of future-oriented scenarios.

Gothenburg: The focus is on Gothenburg's innovative capacity through combining knowledge, cultures and experiences and partnerships with a wide range of actors.

Malmö: The focus is on the integration of principles for the sharing economy into the physical development of Sege Park, an area with a rich history and exciting future. The existing parks and buildings provide the conditions for a good living environment. Sustainability, the sharing economy, and urban agriculture are some keywords for the building actors who are developing about 700 homes in Sege Park together with the municipality.

Umeå: The focus is on innovative solutions for mobility, green spaces, resource efficiency, use of indoor space, and consumption.

**Table 2. Examples of Initiatives in Stockholm**

City	Name of Initiative	Type of Asset Shared	Description	Business Model
Stockholm	Olio	Food	OLIO connects neighbours with each other and volunteers with businesses so surplus food and other items can be shared, not thrown away. <a href="https://olioex.com/food-waste-in/sweden/">https://olioex.com/food-waste-in/sweden/</a>	Non-profit
Stockholm	Hygglo	Various	A platform for consumer-to-consumer sharing) <a href="http://www.hygglo.se">www.hygglo.se</a>	Non-profit
Gothenburg	Klädoteket	Clothing	Shared closet clothing and accessories sharing—the items are owned by the company but shared among users through rental for a set period. <a href="https://kladoteket.se">https://kladoteket.se</a>	For-profit
Gothenburg	Cykelkoket	Tools, Skills	Cykelkoket is a collective bicycle repair workshop. <a href="http://www.cykelkoket.org">www.cykelkoket.org</a>	Non-profit
Malmö	Swop Shop	Clothing	Swop Shop is a store that offers you an easy, sustainable, and economical way to renew your wardrobe. <a href="http://www.swopshop.se">www.swopshop.se</a>	For-profit
Malmö	STPLN	Tools, Skills	Stpln is a unique meeting place, a makerspace, and an incubator for initiative and creative projects in Malmö. <a href="https://stpln.org">https://stpln.org</a>	Non-profit
Umeå	Fritidsbanken	Sports Equipment	Fritidsbanken Umeå allows locals and visitors to loan sports and leisure equipment for free. It also accepts donations of equipment. <a href="http://www.fritidsbanken.se">www.fritidsbanken.se</a>	Non-profit
Umeå	Delbar	Various	Delbar is a platform that offers an easy way to engage in sharing with friends and close social networks. It	Non-profit

			can facilitate the local sharing economy. www.delbar.se	
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Source: Own elaboration.

## Issues

The Swedish Entrepreneurship Forum has observed a unique characteristic of the collaborative economy market in comparison to other European countries in that “Sweden tend to justify sharing on the basis of sustainability, rather than cost-effectiveness or efficiency” (Felländer et al. 2019). For example, the city of Gothenburg supports the Smart map32, which is a mapping of more than 100 sharing initiatives in the city. The aim is to visualise options for more sustainable consumption to its citizens (Markendahl et al. 2019). Although in line with the development of other nations, the guiding force in the Swedish context has been accessing over ownership and collaborative economy initiatives have been established and run by a multitude of actors in public and private sectors as well as non-profit organizations supported by networks of volunteers.

On December 17, 2016, the government decided to assign a special investigator to make a descriptive survey of divisional economic models, analyse users’ roles and legal position in divisional economic transactions, discuss the effectiveness of existing legislation in the sharing economy and the need for new regulations, and to assess whether there is reason to propose measures other than legislation to promote the positive development of the sharing economy (Bradley 2017).

## Other Major Players

As reported, there is extensive research carried out with regards to collaborative economy in the Royal Institute of Technology, Stockholm, International Institute for Industrial Environmental Economics, Lund University, and Stockholm University in addition to a much investment from both city level and national government, public and private sectors as well as non-profit organizations.

## Summary

In summary, the myriad of activities taking place within the sharing economy in Sweden appears to be largely driven by concerns with environmental sustainability and opportunities to build communities rather than to increase efficiency or as an alternative means of economic growth. The country has chosen to focus on individual cities as development test-beds for ongoing and future sharing activities and initiatives in both the profit and non-profit sectors while also developing a national node to significantly improve national and international cooperation and promote an exchange of experience on sharing cities. Although Sweden faces similar regulatory issues regarding employment as other European countries, the key factors for the success of the sharing economy in Sweden include a comparatively high-level of trust in other people (i.e., high social cohesion), comparatively high environmental awareness and

policy objectives, and a strong fraud prevention system (BankID: An electronic identification is a digital solution for proof of identity of citizens or organizations)

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## Relevant Websites

Hygglo (a platform for consumer-to-consumer sharing): [www.hygglo.se](http://www.hygglo.se)

Sharing Cities Sweden (a national program for the sharing economy in cities): [www.sharingcities.se](http://www.sharingcities.se)

Time Village (a skill sharing platform): <https://timevillage.org>

TipTapp (consumer-to-consumer logistics platform): [www.tiptacom/en](http://www.tiptacom/en)